

***State of Alaska's Strategy for Improving the Technical, Managerial,
and Financial Capacity of Class A Public Drinking Water Systems***

***Alaska Department of Environmental Conservation
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Preface

This document is a demonstration of how the Alaska Department of Environmental Conservation (ADEC), Division of Environmental Health, Drinking Water and Wastewater (DW/WW) Program plans to implement a strategy to assist existing public water systems in improving their technical, managerial, and financial (TMF) capabilities. This initiative is a requirement imposed by the Safe Drinking Water Act (SDWA) on all states that wish to participate fully in the Drinking Water State Revolving Loan Fund (DWSRF) program. Section 1420(c) of that Act specifies five elements that a state must take into account when preparing a strategy for helping existing public water systems to improve their capacity. The state is required to submit its Draft Strategy to the Environmental Protection Agency (EPA) for review by August 6, 2000.

In March of 1999, DW/WW convened a Citizens Advisory Board (CAB) to advise the agency on how it should approach the SDWA capacity development provisions. This Board was composed of persons who represented a wide variety of groups with an interest in drinking water issues. A final *Report of Findings* will be submitted to DW/WW Program Manager in September 2000.

Part 1 of this document is a discussion of DW/WW's consideration of the CAB's findings. It lists the recommendations that were chosen for implementation and the rationale behind these choices. It also discusses the resources that will be applied and the timetable that will be followed in implementing Alaska's Capacity Development Strategy.

Part 2 of this document is the *Report of Findings* in its entirety. The *Report of Findings* is the foundation on which Alaska's Capacity Development Strategy rests. It describes in detail how the five required elements were considered in the course of the CAB's work. It provides fourteen specific recommendations to DW/WW on how the Department can assist public water systems in improving TMF capacity.

Part 3 of this document is a copy of the *Rural Sanitation 2005 Action Plan*, which is a strategy to make safe water and hygienic sewage service a reality for all Alaskans. In the Action Plan there is a complete section on capacity development that State and Federal agencies have implemented. Although the Action Plan was designed for rural issues, under *Component II, Capacity Development* there are several resources that are listed that can be used for all PWS.

Part 1 – Alaska’s Capacity Development Strategy

A. Introduction

The *Report of Findings* submitted by Alaska’s Capacity Development Citizens Advisory Board (CAB) is a comprehensive document which provides a clear discussion of the five elements that a state is required to consider when preparing a Capacity Development Strategy. Part 1 of this document will not simply repeat material presented in the *Report of Findings*. Instead, it will provide a description of the process and rationale by which DW/WW has used the Board’s recommendations to fashion a Capacity Development Strategy for the State of Alaska. This document emphasizes the overall content of the Strategy rather than the process by which it will be carried out. It is written in plain language designed to make it easy to read by stakeholders, which include public water system owners, operators, managers, and customers, developers, design engineers, staff of Local, State, and Federal agencies, and citizen policy makers.

B. Public Involvement

The CAB was the primary means for obtaining public involvement in developing a strategy. The members of the CAB represented a wide array of interests and there was considerable networking among members and their organizational associates during the course of the Board’s work. It is felt that this process established a new and higher benchmark for public involvement in implementing initiatives within DW/WW.

In an effort to engage the broadest public participation, at least one CAB meeting was held in each of the three largest communities in the State (Anchorage, Fairbanks, and Juneau). The DW/WW believes strongly in the principle of public involvement, it also freely acknowledges that modern times are often characterized by what might be called a culture of disengagement. Citizens are generally reluctant to contribute personal time to the examination of government initiatives unless there is a clear and immediate impact on their personal lives or interests.

Although DW/WW offered considerable opportunity for citizen input, attendance at the CAB meetings throughout the 16 months that meetings were held was quite limited. Those who did attend were usually associated with drinking water systems, governmental agencies, or non-governmental organizations and were interested mostly in whether or not the program would impact the way they conducted or offered services.

After the *Report of Finding* was released in draft form, DW/WW staff presented the Report at conferences and meetings through out the State along with requesting that the attendees to fill out a questionnaire and return it to DW/WW staff. In addition, the *Report of Findings* and the questionnaire were posted on the ADEC Internet home page and notices on the Report were placed in the Department’s publication entitled the *Northern Flows*. Overall, people were not prepared to provide pointed commentary on the SDWA requirements, the recommendations of the CAB, or fill out the questionnaire. In spite of these shortcomings, a number of comments

were received and responses to these comments are offered in Section E of the *Report of Findings*.

It is expected that public interest will increase as the Strategy is put out for public comment, implemented, and assistance efforts begin to have a direct impact on PWS and their customers. In the section concerning future plans (Page 13), there is further discussion of how DW/WW hopes to elicit ongoing public participation.

C. The Five Required Elements

The SDWA requires the State to consider five elements when preparing its Strategy:

- 1) Methods or criteria to prioritize systems
- 2) Factors operating in the State which impair or enhance capacity
- 3) How the State will use the authority and resources of the SDWA
- 4) How the State will establish a baseline and measure improvements
- 5) Identification of interested persons

The CAB looked at all of these elements in detail and the results of their deliberations are included in the *Report of Findings*. This section of the document will be limited to a discussion of how DW/WW evaluated the Board's findings in these five areas and its decisions on which elements to include in the final Strategy.

C.1. Prioritizing Systems for Assistance under the Strategy

DW/WW will adopt some form of the matrix developed by the CAB, which is found in Section A of the *Report of Findings*. In simplest terms, this approach will provide a baseline reading of TMF capacity for Class A PWS that DW/WW can use to determine capacity progress for each PWS in the future. ADEC currently has records for 664 PWS statewide. There are 380 PWS on the State Significant Non-Compliance (SNC) Exception List and the SNC List. While using these two lists, ADEC personnel will meet with representatives from available resource agencies that deal with these same PWS to select 50 PWS from the noted lists to form a round table panel and rank the selected PWS according to the risk matrix. This work will take place over the course of two years. The information obtained will be used to determine which area of TMF these systems are most in need of assistance, and which agencies can best aid the system to gaining the needed resources. Upon completion of the ranking, those PWS of the 50 PWS ranked that are willing to cooperate with the Department and its partners will be provided assistance.

PWS that voluntarily request TMF analysis will also be analyzed using the matrix.

The score that a PWS receives after the matrix is completed is not intended as a means to determine which PWS would become eligible for financial assistance. All eligible PWS may compete directly for DWSRF loans during the annual DWSRF funding process.

The main intent of the matrix is to target capacity development efforts in a manner that recognizes agency's resource limitations, but it is not expected to limit the eventual reach of these efforts. As part of the DW/WW Program, capacity development assistance is expected to be available in the long term to any PWS that has a need and voluntarily cooperates with DW/WW and/or its partners in achieving solutions.

C.2. Factors that Encourage or Impair Capacity

There are numerous programs available in Alaska that relate to capacity development. The following is a list of programs, although not complete, that ADEC staff know are currently in place and provide capacity development measures in one form or another:

Federal

- Environmental Protection Agency (EPA):
 - a) Indian General Assistance Program (IGAP) – EPA provides direct financial assistance for partial funding of traditional native governments.
 - b) EPA provides partial funding for two regional health consortiums laboratories to perform water sample analysis.
 - c) EPA provides funding for the annual Arctic Research and Development Conference where new technologies and construction methods are reviewed.
 - d) EPA also provides direct partial funding for the operation of the Alaska Water and Wastewater Management Association, the State Chapter of the National American Water Works Association (AWWA).
- Volunteers In Service to America (VISTA) – environmental advisors are hired to provide local assistance solving important community environmental issues which often include safe drinking water.
- United States Department of Agriculture, Rural Development (USDA RD) – provides a variety of capacity building assistance programs.
- Alaska Native Tribal Health Consortium (ANTHC) – is responsible for the design and construction of water and wastewater sanitation facilities. The Office of Environmental Health & Engineering reviews sanitation projects, acts as a funding agency which includes numerous technical and financial capacity building services in many rural villages that include onsite operator training, rate studies, preventative maintenance and emergency assistance.

- Rural Alaska Community Action Program, Inc. (Rural CAP) – A program whose goal is to improve solid wastes management, sanitation, energy conservation, and environmental awareness in Native villages throughout Alaska. Each year, twenty-five rural Alaskans are selected to serve their home communities through education and direct service activities.
- Denali Commission - is an innovative federal-state partnership established by Congress in 1998 to provide critical utilities, infrastructure, and economic support throughout Alaska. It is charged to lower the cost of living and raise the standard of living in Alaska by delivering federal services in the most cost-effective manner possible.
- National Rural Water Association (NRWA) – provides technical assistance in the form of operator training forums and onsite assistance to PWS owners and operations.

State

- ADEC DW/WW Program – provides technical assistance in the form of plan review and capacity assessments for new water systems. The Department also reviews new systems to ensure they have the technical, managerial, and financial capabilities to ensure their long-term viability.
- ADEC DWSRF Program – provides low-interest loans to drinking water systems for improvements. The DWSRF program also reviews and assesses all loan recipients to ensure they meet minimum capacity requirements to ensure the systems viability and ability to repay the loan.
- ADEC Village Safe Water (VSW) Program – provides grants to rural communities for construction of drinking water system improvements and also performs rate studies.
- Alaska Department of Community and Economic Development, Division of Community and Business Development, Rural Utility Business Advisors (DCED-RUBA) – provides roving utility business advisors to rural communities that seek assistance. RUBA assists the communities with financial issues such as accounting systems, personnel policies, and procedures and audits.
- Remote Maintenance Workers (RMW) – 14 employees of the regional native health consortiums provide roving technical assistance, maintenance, and emergency repairs to 171 rural water systems in the form of on-site, hands on operator training, technical assistance and maintenance.
- Governor's Sanitation Task Force – has developed a recommended course of action for improving rural sanitation conditions and eliminating the honey bucket by the year 2005.

- Alaska Municipal League (AML) – offers annual financial municipal government training to city managers, clerks and staff. This training includes fundamental governmental accounting, computerized accounting systems and software, basic utility rate analysis and rate setting.
- Rural Alaska Sanitation Coalition – is a statewide coalition committed to bring about positive long-term change in the substandard water, sewer, solid waste, and related environmental health conditions existing in Alaska villages.
- Regulatory Commission of Alaska (RCA) – regulates public utilities by certifying qualified providers of public utility and pipeline services; and ensuring that they provide safe and adequate services and facilities at just and reasonable rates, terms, and conditions. This keeps rates as low as possible while allowing the utility to earn a fair return. The commission also determines the eligibility and the per kilowatt-hour support for electric utilities under the Power Cost Equalization program.
- Boise State University, Environmental Finance Center (BSU, EFC) – offers training, education, facilitation and policy initiatives to improve the ability of regional, state, and local officials to meet the challenges of the capacity development requirements relative to the Safe Drinking Water Act Amendments of 1996.
- University of Alaska, Anchorage (UAA) – is currently studying ways for potential regionalization of utilities in the bush.
- University of Alaska Southeast, Sitka Campus – presently offers a core curriculum devoted to small utility systems operation and management. The Sitka Campus is also the home of the Alaska Training/Technical Assistance Center (ATTAC) that is dedicated to providing assistance to small, rural communities. ATTAC is one of six regional centers funded by a grant from EPA.

Furthermore, the CAB committed a large amount of time to delineating those factors that enhance or impair capacity development. In its review of all factors identified, the group selected a subset for consideration when putting together its recommendations on the specific types of capacity development assistance that should be provided in Alaska (the fourteen recommendations discussed in Section C.3). Those factors that were considered to be clearly outside of DW/WW's ability to influence or control were dropped from immediate consideration. However, with an eye to the future, the Board retained all of the factors in its Report so that ADEC could revisit them. Changing social, demographic and political circumstances could potentially make some factors more approachable in the future than they appear to be at present.

In ADEC review of the *Report of Findings*, staff studied all the factors that encourage or impair capacity provided in the Report. As a result, DW/WW program staff concurred broadly with the CAB's choices of those that should inform capacity development efforts in the immediate future.

C.3. How the State will use the Authorities and Resources of SDWA

The *Report of Findings* lists fourteen recommendations for programmatic activities that DW/WW could choose from in implementing a Capacity Development Strategy. DW/WW weighed all of these recommendations carefully and concluded that it would select half of them for attention during the initial implementation of its Strategy. The implementation schedule for each of the seven recommendations can be found in Section F of the Strategy.

The SDWA calls for the State to apply its authorities and resources in three general areas:

- 1) *Assist systems in complying with the national primary drinking water regulations.* Virtually all of the chosen recommendations are designed to enhance the ability of PWS owners, managers, and operators to understand and successfully comply with the regulations. The matrix previously discussed will provide baseline information on where PWS are in terms of TMF capacity. As each PWS goes through the matrix, all agencies, including DW/WW, will be able to tailor solutions to individual PWS.
- 2) *Encourage the development of partnerships between public water systems.* Although there is not a specific recommendation that emphasizes this topic, DW/WW intends to weave this theme into the specifications for all training products and educational materials that are developed by ADEC. This will also be included in when tailoring individual strategies.
- 3) *Assist public water systems in the training and certification of operators.* ADEC has sponsored operator certification training for a number of years and will continue to do so into the foreseeable future. Because this element was already in place, it was not included in the CAB's recommendations as a separate issue, although each of the recommendations listed below addresses important operator skills and knowledge. In addition, ADEC is actively working on an Operator Certification Program for all Class A PWS that will meet the Federal guidelines.

The selected recommendations are listed below. Additional information is given on Pages 10 and 11 in sections dealing with resources that DW/WW will employ and a tentative implementation schedule.

- **Enhanced Sanitary Survey** - DW/WW will enhance its routine sanitary surveys to include increased attention to elements of system capacity. Working together, EPA Region 10, Boise State University, and DW/WW, obtained a grant for Boise State University to modify DW/WW existing sanitary survey forms to enhance the existing items covering managerial and technical capabilities. During the modification process, the requirements of the Interim Enhance Surface Water Treatment Rule regarding sanitary surveys will also be addressed. A goal associated with this recommendation is to gather and analyze capacity related information through time, which will be interpreted as feedback on the success of capacity development efforts and also used as a resource in making future program enhancements.

- **A Self-Assessment Tool** - An easy-to-use tool is needed to guide water systems through an examination of their own TMF capacity, with a view to identifying opportunities for improvement and suggesting the types of assistance that would be beneficial to them. Currently, DW/WW is working with the Alaska representative of the National Rural Water Association to modify the matrix found in Section A of the *Report of Findings* into a self-assessment tool for use by PWS owners and operators.
- **Regulatory Commission of Alaska (RCA)** - RCA should continue working to improve their statutory and regulatory authorities to allow for more efficient regulation of small PWS. DW/WW and RCA have already entered into a Memorandum of Understanding (MOU) to address new PWS and the dual authority shared by the two agencies. This cooperation will continue as DW/WW and its partners collect the baseline information through the completion of the matrix for PWS. Hopefully, within the first two years of the Strategy, sufficient information will be collected to allow the RCA to begin the public process of developing the statutory and regulatory improvements recommended in the *Report of Findings*.
- **TMF Training** - Training in technical, managerial, and financial capacity elements will be needed for DW/WW staff, contractors, consultants, and other service providers. Currently, DW/WW is working with Boise State University and RCA to put together an outline of the needed training.
- **Water Metering** - Water metering requirements can be found in Alaska regulations, however the installation of water meters is not a requirement to obtain construction or operation approval. Changes will be proposed during the next change to the Drinking Water Regulations (18 AAC.80), to modify 18 AAC 80.200 to require one master water meter per PWS prior to obtaining final operation approval.
- **Early Notice of Impending Rule Changes** - The CAB recommended that DW/WW enhance its efforts in providing early notice of impending rule changes or new regulatory requirements. By the formation of the CAB for the Capacity Development Strategy, Advisory Board for the Operator Certification Program, the workshops for the Consumer Confidence Reports, and the publication of the DW/WW newsletter the *Northern Flows* which is sent to each PWS in the State, ADEC have enhanced and will continue to provide information to the public and all other interested parties as soon as possible.
- **DWSRF Loan Funds and Grants** - During the past legislative session, legislation was enacted that would allow the Alaska Drinking Water Fund, the DWSRF, to provide low-interest loans to privately owned drinking water systems for constructing new systems and making improvements to existing systems. This legislation becomes effective July 1, 2002. The Act makes these low-interest loans available to systems that are currently certified and economically regulated by the RCA. Currently there are approximately 30 systems statewide that fall into this category and are eligible for these loans. However, it is known that there are many existing systems that could, or should, be regulated by the RCA that are not for various

reasons. This situation has been identified as a potential hindrance for these systems to achieve or improve their overall technical and fiscal capacity. In the future, as these systems recognize the potential benefits of receiving low-interest loans, it is expected that the total number of private systems eligible for low-interest loans will significantly increase.

The Department is currently in the rule-making process to implement these statute changes with the public comment period ending August 4, 2000. It is expected that these regulations will be in place shortly thereafter, with loans available to eligible private systems beginning July 1, 2002. The Department has begun contacting these systems already to ensure familiarization with the prioritization and application process.

DW/WW made the choices listed above for several important reasons:

- Most of these activities lend themselves to partnership with such parties as Boise State University and the National Rural Water Association. DW/WW staff will not be allowed to grow at the present time. Because existing staff could not be fully redirected to the capacity development effort, the only way to achieve meaningful results is through partnerships with providers outside of the agency. Non-governmental organizations and other service providers are available within the State and region and should be able to provide excellent support for this program.
- Because many of the impairments in the Report of Findings as identified by the CAB focus on the lack of knowledge possessed by State and Federal agencies along with the PWS owners, managers, and operators about the different programs and information needs, it was felt that the emphasis in the early years of strategy implementation should be placed on the development of learning tools and information collection.
- The recommendations chosen represent initiatives that can yield benefits in a relatively short time.

Note: It is important to recognize that the remaining seven recommendations of the CAB that were not selected for initial implementation are by no means being discarded or ignored. DW/WW envisions the Capacity Development Strategy as a long-term commitment. It is recognized that some of the best recommendations of the Board are included in those that were passed over in this early phase of the program. The fact that they were not chosen is a function of resource limitations. It also results from a realistic assessment of DW/WW's ability to control outcomes in areas such as land use planning, regionalization, public education, program resources, and non-proliferation of small non-federal regulated PWS.

C.4. How the State will Establish Baselines and Measure Progress

C.4. a. DW/WW will adopt the items found on page 27 of Section D recommended in the *Report of Findings* for both the 50 PWS priority ranked and all PWS that voluntarily request a TMF ranking. In summary, this will consist of the following:

- Compliance Tracking - This includes observation of compliance trends on a statewide basis, as would be reflected in the triennial report on systems with a history of non-compliance and the SNC exceptions report, as well as system-specific responses following the receipt of assistance under the Capacity Development Strategy. To track the latter, systems that receive assistance may be asked to complete a survey regarding the effectiveness of that assistance, or may be asked to conduct a TMF self-ranking within a year of receiving assistance.
- Outreach and Assistance - This involves tracking of efforts more than results. The number of enhanced sanitary surveys conducted, number of capacity related site visits, and number of water systems which complete TMF self-assessments will be tallied annually. Improvements can be noted in the following ways:
 - a) Decrease in number of deficiencies found through sanitary surveys.
 - b) Reduction in number of emergency calls for technical assistance.
 - c) Tally of specified training events, attendance, and tracking CEU's.
 - d) Number of systems with properly certified operators. PWS operators are essential to the technical and management capacity of any drinking water system. Monitoring the proper staffing of water system operations is an important tool in measuring technical and management capabilities of water systems.
 - e) Number of water systems that request self-ranking work sheets for improvement. Comparison of the ranking taken before and after receiving assistance would be particularly useful.
 - f) Reduction of systems on the SNC list.

C.4. b. DW/WW will determine if outreach, in general, is impacting other PWS by the following indicators:

- Decrease in number of deficiencies found through sanitary surveys.
- Reduction in number of emergency calls for technical assistance.
- Number of water systems that request self-ranking work sheets. Comparison of ranking taken before and after receiving assistance would be particularly useful.

The overall results of these tracking efforts will be used to assess the strengths and weaknesses of the Strategy and provide the basis for future modifications to the Strategy.

C.5. Identification of Interested Persons

DW/WW believes that the CAB did an admirable job of identifying persons and interest groups that would be expected to have an interest in public drinking water. Although some of the identified parties declined to participate in the Board's activities, it seems clear that a wide spectrum of interest groups was at least given an opportunity to do so. The final Board composition represented a broad cross-section of interests and clearly met the SDWA requirement for a proactive process of public involvement.

Participation by the public at large was disappointing, as previously discussed. DW/WW expects to continue making information about capacity development efforts available through Internet postings, press releases, newsletters, conferences, and in occasional public workshops that will be scheduled when future modifications in the strategy are being made.

D. Rationale for the Strategy

All five of the elements required by the SDWA are incorporated in the Alaska Strategy:

- 1) A prioritization scheme which centers on system compliance, willingness to cooperate, and public health impacts will be followed.
- 2) The recommendations chosen for early implementation are direct outgrowths of an analysis of the factors that enhance or impair water system capacity in Alaska.
- 3) There are no additional funds or resources available for implementation of Alaska's Capacity Development Strategy. ADEC will use current funding through the existing Public Water System Supervision Grant and State general funds to underwrite the costs of this assistance program.
- 4) ADEC will measure individual system responses to capacity assistance and will track overall trends in compliance within the State. In addition, specific activities carried out under the Strategy will be tallied as a general indicator of effort expended.
- 5) Public involvement has been a priority from the beginning and will continue, to the extent possible, in the future.

Taken together, the recommendations that will be carried out as part of the Strategy will provide lasting benefits to existing public water systems by improving the knowledge base of system operators and managers.

E. Resources

As mentioned in Section C.3, on Page 5, ADEC currently lacks permanent staff that may be dedicated to developing all of the data collection tools and training programs, as noted in section

C.3 items 1, 2 and 3, included in the recommendations chosen for the Strategy. In a separate action that is independent of the Capacity Development Strategy, the DW/WW Program Manager is working on forming a Drinking Water and Wastewater Advisory Board to provide comments and recommendations on such items as regulation adoption, staffing, and funding issues.

As noted in Section D, there will no additional funding sources used for the implementation of the Strategy. The only funding available is the Public Water System Supervision (PWSS) Grant and State General Funds. Without funding increases from EPA through the PWSS grant or increases in State General Funds, there will be no increase in staffing for ADEC. Funding for additional ADEC, DW/WW staff from the annual set-aside from the State's capitalization grant for the DWSRF will not be pursued.

After the Strategy and the Alaska Environment Performance Partnership Agreement are approved, DW/WW staff may be included as part of the resources in building capacity for PWS. However, due to increasing program workload associated with a number of new primary drinking water regulations scheduled for promulgation during the next several years, it may be necessary for ADEC, DW/WW to withdraw all or a portion of its permanent staff support for the Strategy.

Working together, EPA Region 10, Boise State University, and DW/WW obtained a grant for Boise State University to modify DW/WW existing sanitary survey forms to enhance the existing items covering managerial and technical capabilities. During the modification process, the requirements of the Interim Enhance Surface Water Treatment Rule regarding sanitary surveys will also be addressed.

In partnership with the Alaska representative of the National Rural Water Association, DW/WW will be modifying the matrix found in Section A of the *Report of Findings* into a self-assessment tool for use by PWS owners and operators.

F. Implementation Schedule

Instead of committing to a rigidly defined schedule, ADEC would prefer to retain an element of opportunism in this undertaking. ADEC and its partners will be making maximum use of existing products (which involves searching and screening), partnerships with non-governmental organizations, and responding to the level of interest shown by water system owners, managers, and operators along with any other interested individuals.

As noted in Section C, page 2, DW/WW will adopt some form of the matrix developed by the CAB, which is found in Section A of the *Report of Findings*. In simplest terms, this approach will provide a baseline reading of TMF capacity for Class A PWS that DW/WW can use to determine capacity progress for each PWS in the future. ADEC currently has records for 664 PWS statewide. There are 380 PWS on the State SNC Exception List and the SNC List. While using these two lists, ADEC personnel will meet with representatives from available resource agencies that deal with these same PWS to select 50 PWS from the noted lists to form a round

table panel and rank the selected PWS according to the risk matrix. This work will take place over the course of the next two years. The information obtained will be used to determine which area of TMF these systems are most in need of assistance, and which agencies can best aid the system to gaining the needed resources. Upon completion of the ranking, those PWS of the 50 PWS ranked that are willing to cooperate with the Department and its partners will be provided assistance.

The table below offers a general scheme for the description, development, and implementation of the seven recommendations discussed in Section C.3 of this document. The recommendations appear in the same sequence as found in Section C.3.

Recommendation	Approximate Target Date for Service Delivery
1) Enhanced Sanitary Survey	Grant awarded the end of July 2000.
2) A Self-Assessment Tool	First draft completed by January 2001.
3) Regulatory Commission of Alaska	Started in August 1999 and will continue for the next several years.
4) TMF Training	Training for staff started in 2000 and will continue for the next two years.
5) Water Metering	Completed within the next 12 months.
6) Early Notice of Impending Rule Changes	Started in 1998 and is improving as new rules are being published.
7) DWSRF Loan Funds and Grants	Public comment period ends August 4, 2000.

G. Integration with Existing Program

There are multiple linkages and interrelationships between the Capacity Development Strategy and other aspects of the DW/WW. The following points are included as a means of ensuring that these relationships will be taken into account when implementing the Strategy.

- All training programs developed and delivered under the umbrella of the Strategy will be evaluated for compliance not only with the relevancy criteria established in the State's Operator Certification Program but all staff (accounts, managers, customer relation staff, etc.) that work for a PWS. Although some training workshops will not be directly applicable to all staff that work for a PWS, many workshops will and it is important that these workshops count not only towards the continuing education requirements for a certified operator but for all PWS staff.
- The prioritization process and subsequent assessment activities carried out under the Strategy may be used to remove PWS from the SNC lists when individual strategies are developed, negotiated, and agreed upon by all parties.

- By December 31, 2002, and every three years thereafter, ADEC will submit a report to the Governor of Alaska, and to the public detailing the efficacy of the State's Capacity Development Strategy and outlining the progress made towards technical, managerial, and financial capacity of PWS. This will also allow DW/WW to assess the goals agreed to with EPA in the Alaska Environment Performance Partnership Agreement.
- The State's Compliance Strategy allows water systems that have been assessed a monetary penalty to divert some or all of that penalty payment to constructive activities that will help to improve the system's capacity and will act to prevent future compliance problems. A clearly beneficial application of this principle would be for a system that has been penalized to conduct a capacity assessment using the matrix by ADEC and/or its partners. The system would then be expected to act on the recommendations arising from the assessment so that technical, managerial, and financial capabilities would be improved.
- After the Drinking Water Protection Program has completed the assessments for Class A and B PWS in the State, DW/WW will assess the possibility of dealing with such items as regionalization, consolidation, and satellite management schemes using a watershed approach.

H. Future Plans

When ADEC prepares its first report to the Governor of Alaska in 2002, the agency plans to evaluate the possibility of expanding the Strategy by adopting some of the more far-reaching recommendations of the Citizens Advisory Board. These might include efforts to incorporate drinking water issues into local planning activities around the state; programs to encourage regionalization, consolidation, and satellite management schemes; improvements in inter-governmental relations; installation of a consistent statewide financial standard; and loan guarantee or even grant programs. A round table approach to providing assistance to the State's PWS is also considered a desirable feature in the longer term. All of these strategies have the potential to mitigate some of the more important legal, financial, and institutional factors that impair water system capacity in the State. However, it is presently unclear what level of action and involvement the primacy agency will realistically be able to exercise in these areas without an increase in the PWSS Grant.

ADEC plans to explore these issues, both internally and in cooperation with the public, PWS owners, operators, and managers, developers, design consultants, Local, State, and Federal agencies, and any advisory boards that ADEC has developed. Public workshops and conferences will also be used for gathering suggestions and building support, provided sufficient interest can be generated. It is expected that ideas for approaching these challenges will be better formulated in approximately two years, at which time ADEC will be drafting its report to the Governor. This report may serve as a vehicle for conveying ADEC's ideas on how to expand the Capacity Development Strategy in a manner that is consistent with the agency's mission, lies within its

discretionary powers, and is acceptable to ADEC managers and the Legislative and Executive branches of State government.